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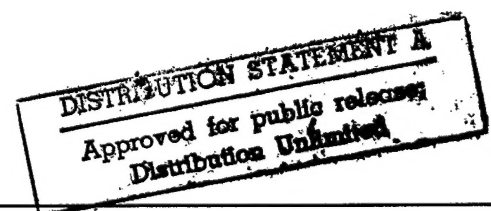
# RESULTS ACT

## Comments on Justice's August Draft Strategic Plan

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# Results Act: Comments on Justice's August Draft Strategic Plan

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Under the Government Performance and Results Act of 1993, executive agencies are to develop strategic plans in which they define their missions, establish results-oriented goals, and identify strategies they will use to achieve those goals for the period 1997 through 2002. The Act specifies that strategic plans should contain six elements: (1) a mission statement; (2) agencywide long-term goals and objectives; (3) approaches (or strategies) and the various resources needed to achieve the goals and objectives; (4) a description of the relationship between the long-term goals/objectives and the annual performance plans; (5) an identification of key external factors; and (6) a description of how program evaluations were used to establish and revise strategic goals.

GAO's July 1997 report—The Results Act: Observations on the Department of Justice's February 1997 Draft Strategic Plan (GAO/GGD-97-153R, July 11, 1997)—analyzed the February 1997 version of Justice's plan. Justice prepared a revised plan in August.

Justice's August plan discusses, to some degree, five of the six required elements—a mission statement, goals and objectives, key external factors, a program evaluation component, and strategies to achieve the goals and objectives. The August plan does not include a required discussion on the relationship between Justice's long-term goals/objectives and its annual performance plans.

The draft plan could better address how Justice plans to (1) coordinate with other federal, state, and local agencies that perform similar law enforcement functions, such as the Defense and State Departments regarding counter-terrorism; (2) address the many management challenges it faces in carrying out its mission, such as internal control and accounting problems; and (3) increase its capacity to provide performance information for assessing its progress in meeting the goals and objectives over the next 5 years.

# Results Act: Comments on Justice's August Draft Strategic Plan

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Mr. Chairman and Members of the Committee:

I am pleased to be here today to discuss our observations on the Department of Justice's August draft of its strategic plan. The Government Performance and Results Act of 1993 (the Results Act)<sup>1</sup> requires that all executive branch agencies submit their plans to Congress and the Office of Management and Budget (OMB) by September 30, 1997. My statement focuses on Justice's August draft strategic plan, which builds on our July comments regarding Justice's February draft plan.<sup>2</sup> Specifically, my statement will focus on the August plan's compliance with the Act's requirements and on the extent to which it covered crosscutting program activities, management challenges, and Justice's capacity to provide reliable performance information.<sup>3</sup>

In summary, Justice's February draft of its strategic plan was incomplete in that of the six elements required by the Act, three—the relationship between long-term goals/objectives and the annual performance plans, the key factors external to Justice that could affect Justice's ability to meet its goals, and a program evaluation component—were not specifically identified in the draft plan. The remaining three elements—the mission statement, goals and objectives, and strategies to achieve the goals and objectives—were discussed. The August plan includes two of the three missing elements but the plan does not include a required discussion on a third element—how the long-term goals and objectives are tied to Justice's annual performance plans. In addition, the revised plan would better meet the purposes of the Act if it provided more complete coverage of crosscutting programs, management challenges, and performance information.

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## Background

In the 1990s, Congress put in place a statutory framework to address long-standing weaknesses in federal government operations, improve federal management practices, and provide greater accountability for achieving results. This framework included as its essential elements financial management reform legislation, information technology reform legislation, and the Results Act.

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<sup>1</sup>P.L. 103-62.

<sup>2</sup>The Results Act: Observations on the Department of Justice's February 1997 Draft Strategic Plan (GAO/GGD-97-153R, July 11, 1997).

<sup>3</sup>Justice also revised its February 1997 plan on July 21, 1997.

In enacting this framework, Congress sought to create a more focused, results-oriented management and decisionmaking process within both Congress and the executive branch. These laws<sup>4</sup> seek to improve federal management by responding to a need for accurate, reliable information for congressional and executive branch decisionmaking. This information has been badly lacking in the past, as much of our work has demonstrated. Implemented together, these laws provided a powerful framework for developing fully integrated information about agencies' missions and strategic priorities, data to show whether or not the goals are achieved, the relationship of information technology investment to the achievement of those goals, and accurate and audited financial information about the costs of achieving mission results.

The Results Act focuses on clarifying missions, setting goals, and measuring performance toward achieving those goals. It emphasizes managing for results and pinpointing opportunities for improved performance and increased accountability. Congress intended for the Act to improve the effectiveness of federal programs by fundamentally shifting the focus of management and decisionmaking away from a preoccupation with tasks and services to a broader focus on results of federal programs.

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## Requirements Under the Results Act

Under the Results Act, executive agencies are to develop strategic plans in which they define their missions, establish results-oriented goals, and identify strategies they will use to achieve those goals for the period 1997 through 2002. The Act specifies that all agencies' strategic plans should have six critical components: (1) a comprehensive agency mission statement; (2) agencywide long-term goals and objectives for all major functions and operations; (3) approaches (or strategies) to achieve the goals and objectives and the various resources needed; (4) a description of the relationship between the long-term goals/objectives and the annual performance plans required by the Act; (5) an identification of key factors, external to the agency and beyond its control, that could significantly affect achievement of the strategic goals; and (6) a description of how

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<sup>4</sup>The primary financial management reform legislation Congress enacted is the Chief Financial Officers Act of 1990, as expanded by the Government Management Reform Act of 1994. These laws provide the basis for identifying and correcting financial management weaknesses that have cost the federal government billions of dollars and leave it vulnerable to waste, fraud, and mismanagement. They also set expectations for agencies to deploy modern systems to replace existing, antiquated, often manual processes; develop better performance and cost measures; and design results-oriented reports on the government's financial condition and operating performance by integrating budget, accounting, and program information. Information technology reform legislation, including the Paperwork Reduction Act of 1995 and the Clinger-Cohen Act of 1996, was based on the best practices used by leading public and private organizations to more effectively manage information technology.

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program evaluations were used to establish and revise strategic goals and a schedule for future program evaluations.

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## Justice's Plan Contains All but One Critical Element

Justice's strategic plan is organized around what Justice has identified as its seven core functions: (1) investigation and prosecution of criminal offenses; (2) assistance to state and local governments; (3) legal representation, enforcement of federal laws, and defense of federal government interests; (4) immigration; (5) detention and incarceration; (6) protection of the federal judiciary and improvement of the justice system; and (7) management.

Justice's February draft of its strategic plan was incomplete and did not provide Congress with critical information for its consultations with Justice. Justice's August version added two of the three required elements that were missing in the February plan. As a result, the August plan includes, to some degree, a discussion on five of the six required elements—a mission statement, goals and objectives, key external factors, a program evaluation component, and strategies to achieve the goals and objectives. The August plan does not include a required discussion of a sixth element—the relationship between Justice's long-term goals/objectives and its annual performance plans.

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## Mission Statement

Justice's plan contains a mission statement that is results oriented and generally defines the Department's basic purpose with emphasis on its core programs and activities. Justice's mission statement is as follows:

"Our mission at the United States Department of Justice is to enforce the law and defend the interests of the U.S. according to the law, provide Federal leadership in preventing and controlling crime, seek just punishment for those guilty of unlawful behavior, administer and enforce the Nation's immigration laws fairly and effectively and ensure fair and impartial administration of justice for all Americans."

Justice's mission statement covers six of the seven core functions that Justice identified but does not specify the detention and incarceration function, which is one of Justice's largest budget items. The plan does incorporate the detention and incarceration function in the discussion of goals and objectives and in its strategies to achieve those goals and objectives. Justice officials said that it was their intent to cover the detention and incarceration function by the phrases "seek just punishment . . ." and "ensure fair and impartial administration of justice . . ."

While we agree that mission statements may vary in the extent to which they specify particular activities, we believe that it would be helpful to explicitly include the detention and incarceration function in this case. Our belief is based on Justice's decision to specify all of the other major functions in its mission statement and our concern that the Department's stakeholders may not interpret the phrases cited by Justice officials as indicating that the detention and incarceration component is part of its mission.

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## Goals and Objectives

Justice's goals and objectives cover its major functions and operations and are logically related to its mission. However, they are not as results oriented as they could be and some focus on activities and processes. For example, one set of results-oriented goals involves reducing violent, organized, and gang-related crime; drug-related crime; espionage and terrorism; and white collar crime. However, goals in other areas are more process oriented, such as "Represent the United States in all civil matters for which the Department of Justice has jurisdiction," "Promote the participation of victims and witnesses throughout each stage of criminal and juvenile justice proceedings at the Federal, State, and local levels," and "Make effective use of information technology."

Another concern we have with some of the goals is that they are not always expressed in as measurable a form as intended by OMB guidance. For example, two of Justice's goals in the legal representation, enforcement of federal laws, and defense of U.S. interests core function are to protect the civil rights of all Americans and safeguard America's environment and natural resources. It is not clear from the August plan how Justice will measure its progress in achieving these goals.

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## Strategies to Achieve Goals and Objectives

The Results Act and OMB Circular A-11 indicate that agency strategic plans should describe the processes the agencies will use to achieve their goals and objectives. Our review of Justice's strategic plan, specifically the strategies and performance indicators, identified areas where the plan did not fully meet the Act's requirements and OMB Circular A-11 guidance.

Some of the strategies did not clearly explain how and to what extent Justice programs and activities will contribute to achieving the goals and how Justice plans to assess progress in meeting those goals. For example, because Justice has limited ability to control criminal activities, it is not clear how Justice will be able to determine the degree to which its

programs and activities have contributed to changes in violent crime, availability and abuse of illegal drugs, espionage and terrorism, and white collar crime. Similarly, in its immigration core function, Justice has a goal to maximize deterrence to unlawful migration by reducing the incentives of unauthorized employment and assistance. It is likewise unclear how Justice will be able to determine the effect of its efforts to deter unlawful migration, as differentiated from the effect of changes in the economic and political conditions in countries from which illegal aliens originated. The plan does not address either issue.

Some of Justice's performance indicators are more output than outcome related. For example, one cited strategy for achieving the goal of ensuring border integrity is to prevent illegal entry by increasing the strength of the Border Patrol. One of the performance indicators Justice is proposing as a measure of how well the strategy is working is the percentage of time that Border Patrol agents devote to actual border control operations. While this measure may indicate whether agents are spending more time controlling the border, it is not clear how it will help Justice assess its progress in deterring unlawful migration.

The Act requires that agencies' plans discuss the types of resources (e.g., human skills, capital, and information technology) that will be needed to achieve the strategic and performance goals and OMB guidance suggests that agencies' plans discuss any significant changes to be made in resource levels. Justice's plan does not include either discussion. This information could be beneficial to Justice and Congress in agreeing on the goals, evaluating Justice's progress in achieving the goals, and making resource decisions during the budget process.

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## Key External Factors

In its August plan, Justice added a required discussion on key external factors that could affect its plan outcomes. Justice discusses eight key external factors that could significantly affect achievement of its long-term goals. These factors include emergencies and other unpredictable events (e.g., the bombing of the Alfred P. Murrah building), changing statutory responsibilities, changing technology, and developments overseas. According to Justice, isolating the particular effects of law enforcement activity from these eight factors that affect outcomes and over which Justice has little control is extremely difficult. This component of the plan would be more helpful to decisionmakers if it included a discussion of alternatives that could reduce the potential impact of these external factors.



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## Program Evaluation

In its August plan, Justice added a required discussion on the role program evaluation is to play in its strategic planning efforts. Justice recognizes that it has done little in the way of formal evaluations of Justice programs and states that it plans to examine its evaluation approach to better align evaluations with strategic planning efforts. The August plan identifies ongoing evaluations being performed by Justice's components. OMB guidance suggests that this component of the plan include a general discussion of how evaluations were used to establish and revise strategic goals, and identify future planned evaluations and their general scope and time frames. Justice's August plan does neither.

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## The Relationship Between Long-Term Goals and Objectives and the Annual Performance Plans Is Not Described in the Plan

Under the Results Act, Justice's long-term strategic goals are to be linked to its annual performance plans and the day-to-day activities of its managers and staff. This linkage is to provide a basis for judging whether an agency is making progress toward achieving its long-term goals. However, Justice's August plan does not provide such linkages.

In its August plan, Justice pointed out that its fiscal year 1999 annual performance planning and budget formulation activities are to be closely linked and that both are to be driven by the goals of the strategic plan. It also said that the linkages would become more apparent as the fiscal year 1999 annual performance plan and budget request are issued.

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## Plan Could Better Address Crosscutting Program Activities

Many law enforcement organizations—international and domestic (e.g., other federal, state, and local)—perform either similar or the same activities as Justice. The draft plan includes a goal to coordinate and integrate law enforcement activities wherever possible and to cooperate fully with other federal agencies. However, the plan could better serve the purposes of the Results Act by discussing how Justice plans to coordinate with external organizations' activities and how it plans to measure and assess inputs, outputs, and outcomes. For example, the plan does not discuss

- how Justice plans to work with the Departments of Defense and State, the intelligence agencies, and foreign governments in fighting international terrorism;
- how Justice's drug enforcement activities will relate to the Office of National Drug Control Policy, which has government-wide planning responsibilities for drug control activities;



- how Justice and the Department of the Treasury, which have similar responsibilities concerning the seizure and forfeiture of assets used in connection with illegal activities (e.g., money laundering) will coordinate and integrate their operations;
- how INS will work with the Bureau of Prisons and state prison officials to identify criminal aliens; and
- how INS and the Customs Service, which both inspect arriving passengers at ports of entry to determine whether they are carrying contraband and are authorized to enter the country, will coordinate their resources.<sup>5</sup>

Along these lines, certain program areas within Justice have similar or complementary functions that are not addressed or could be better discussed in the strategic plan. For example, both the Bureau of Prisons and INS detain individuals, but the plan does not address the interrelationship of their similar functions or prescribe comparable measures for inputs and outcomes. As a second example, the plan does not fully recognize the linkage among Justice's investigative, prosecutorial, and incarceration responsibilities.

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## The August Plan Does Not Address Some Major Management Challenges

One purpose of the Results Act is to improve the management of federal agencies. Therefore, it is particularly important that agencies develop strategies that address management challenges that threaten their ability to achieve both long-term strategic goals and this purpose of the Act.

Over the years, we as well as others, including the Justice Inspector General and the National Performance Review (NPR), have addressed many management challenges that Justice faces in carrying out its mission. In addition, recent audits under the Chief Financial Officers Act of 1990 (CFO Act), expanded by the Government Management Reform Act,<sup>6</sup> have revealed internal control and accounting problems. Justice's draft strategic plan is silent on these issues.

Justice's February plan contained a section on "Management," which is one of its seven core functions. In addition, Justice's August draft plan

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<sup>5</sup>We discussed this issue in our report—Customs Service and INS: Dual Management Structure for Border Inspections Should Be Ended (GAO/GGD-93-111, June 30, 1993).

<sup>6</sup>This legislation requires agencies to have their agencywide financial statements audited annually beginning with the fiscal year 1996 financial statements. The first year financial audits of Justice and its components focused primarily on evaluating their control structures and environments and did not include auditing of their statements of operation, which include the entities' operating costs. The fiscal year 1996 audit reports are expected to be issued before the September 30, 1997, submission date for strategic plans.

contains a new section on "Issues and Challenges in Achieving Our Goals," which was not in its February plan. This new section discusses Justice's process for managing its information technology investments, steps taken to provide security over its information systems, and its strategy to ensure that computer systems accommodate dates beyond the year 2000. However, neither this new section nor the "Management" core function addresses some of the specific management problems that have been identified over the years and the status of Justice's efforts to address them.

In its August draft plan, Justice also added a discussion on "accountability," which points out that Justice has an internal control process that systematically identifies management weaknesses and vulnerabilities and specifies corrective actions. This section also recognizes the role of Justice's Inspector General. However, the plan would be more helpful if it included a discussion of corrective actions Justice has planned for internally and externally identified management weaknesses, as well as how it plans to monitor the implementation of such actions. In addition, the plan does not address how Justice will correct significant problems identified during the Inspector General's fiscal year 1996 financial statement audits, such as inadequate safeguarding and accounting for physical assets and weaknesses in the internal controls over data processing operations.

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## Discussion of Capacity to Provide Reliable Performance Information Could Be Improved

To efficiently and effectively operate, manage, and oversee its diverse array of law enforcement-related responsibilities, Justice needs reliable data on its results and those of other law enforcement-related organizations. Further, Justice will need to rely on a variety of external data sources (e.g., state and local law enforcement agencies) to assess the impact of its plan. These data are needed so that Justice can effectively measure its progress and monitor, record, account for, summarize, and analyze crime-related data. Justice's August strategic plan contains little discussion about its capacity to provide performance information for assessing its progress toward its goals and objectives over the next 5 years.

However, in its strategic plan, under the immigration core function, Justice states that one of its priorities is to improve the reliability and integrity of its data systems to enforce immigration laws. Justice's August plan added a goal and corresponding strategies and performance indicators to address this priority. Similarly, Justice added a new goal—achieving excellence in management practices—that includes a strategy for (1) obtaining useful

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and reliable budget, accounting, and performance data to support decisionmaking, and (2) integrating the planning, reporting and decisionmaking processes. These strategies could assist Justice in producing results-oriented reports on its financial condition and operating performance.

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Mr. Chairman, this concludes my prepared statement. I would be pleased to answer any questions.

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